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Extension Service Circular 149 January, 1931

Method of Arriving at Economic Readjustments for the South

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COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS

Extension Service Circular 149 January, 1931

METHODS OF ARRIVING AT ECONOMIC READJUSTMENTS FOR THE SOUTH

C. L. Chambers,
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The Social and Economic Situation

There has never been a time when there was a greater need of calm deliberate counseling on the part of the leadership concerned with the adjustment of southern agriculture.

In our frantic effort to climb on the economic band wagon, we should each realize our responsibility in charting its course. Facts are the material for thought, the fuel for illuminating our path of progress. We can not expect the phosphorescence of an economic specialist, no matter how bright, to light the way. "Even genius can not replace facts where facts and not genius are needed." It will challenge the searchlight of collective thought to illuminate the course of readjustment that the South is facing.

We need more facts on farm income and standards of living.

If we are to solve our greatest problem, that of providing an adequate income, men and women must join hands to climb together the ladder of a family program, based on sound economic facts. Each step upward must be within the reach of the individual or group with whom we work. Disparity of knowledge frequently thwarts our taking the step that will go far toward solving our economic riddle. Before we can take action focusing on the solution, we must possess a clear understanding, based on sound judgment. We must have all the facts pointing to the economic and sociologial significance of the situation in which southern agriculture finds itself. We need a combined research attack, fostered by agriculture and home economics. The extension division, as well as the experiment station, should be in a position to offer suggestions based on a long-time contact with farm and home problems.

The annual dispensing of a multitude of hope-withering facts that do little more than advise against increasing production of every crop grown has little appeal to the farmer and his family, unless we have accompanying facts that point the way out. We know that the average annual gross income for the South is less than half that for the remainder of the country. We know that the South has almost half of all the farms in the United States. We know that the small size of the farms explains to some extent the small income, but what are we to do about it? We know that the tenant system established following the Civil War is largely responsible for this situation, but what steps should be

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5815

taken to loosen the grip of this system that is a curse to the landlord and tenant alike? The long-time lease based on sound farm-management principles coupled with tax adjustment seems to point the way out, but we have little precedent, social or economic background data to relate accomplishments.

Some human factors that have a bearing on the adoption of the live-at-home program.

The acreage farmed by the tenant is not only limited by managerial ability, but a family can pick only the cotton grown on 20 acres or less. Cotton is about the only crop the landlord can depend upon, since it is the only crop he can borrow capital on to operate and get his share of the returns. Since it is necessary to finance the tenant, and obviously at short and regular intervals, the time credit system was established. The diminishing returns in nonrotated land, together with the hazard of absconding tenants, necessitates a high interest charge which prevents establishing adequate finance. Since neither the landlord nor the tenant knows whether production of the tenant will be five or eight bales, they have little idea of the cost. They do not know in advance whether the cotton price will be 25 cents or 10 cents. A surplus at intervals depresses the price far below cost of production. This low return, coupled with the payment of as high as 40 per cent for advanced credit, causes many tenant farmers to be constantly in debt and to exist on a low standard of living. His prosperity as well as that of the landlord, in fact of all business, fluctuates with the price of cotton; hence there is little incentive to change the system. The landlord offers the tenant no inducement to change the system since he knows the tenant can not eat the cotton. The game of chance seems to prompt a spirit of independence which defeats the effect of expert advice and cooperative effort. Production follows cycles; good prices one year stimulate increased acreage the next. The low price received for the resulting increased crop discourages planting the next, thus completing the cycle. The sudden rise and fall of acreage defeats the live-at-home program, since there is no desire to adopt the program when cotton is up, and financial conditions prevent its adoption when prices are down. The capital available when the price is up encourages extra fertilization, insect control, and increased cultivation, which insure greater yields on the increased acreage. This increased production, weather conditions and insect pests being equal, augments a sudden fall in price, and increases the hazard of liquidating the increased loan. The price trend is accompanied by a cycle of extravagance, alternating with deprivation on an income insufficient to meet an adequate living standard. There is also an accompanying cycle of health and illness. Pellagra follows depression, which has its effect on industry and thrift. Since the tenants have no claim to the improvements made, there is no incentive to make them. They consider improvements as a waste of energy and move on an average of every two years with the hope of bettering themselves.

The sudden change from extreme poverty to seemingly extreme wealth causes an independence of the tenant. The landlord must bargain with him and the tenant, in many cases, gets the better of the bargain. The landlord often has several hundred dollars invested before the plow is put into the ground.

Financing the tenant for the six months' vacation which follows, probably including doctor's bills, often makes certain a loss on the tenant the following crop year. Banks generally do not recognize hogs, dairy cattle, and feed crops as desirable security. They are not assured that a sale will not be made without their knowledge, as they frequently see tenants abscond prior to cotton-picking time. It costs the tenant with one mule too much to grow feed since his day's effort is not productive enough to be profitable. He can not harvest profitably without machinery. Landlords can not see the wisdom of encouraging the tenants to grow feed, since they can not be assured they will share, especially when they have feed for sale. Their tenant-furnishing transaction also involves a profit as well as an interest charge. Henry Grady said: "Successful farming rests on the unpaid labor of women and children." "The grind for a money crop unbalances the wisdom of husbandry." Both the landlord and the tenant hesitate to reduce cotton acreage for fear they will reduce their cash income. W. S. Rankin paints the following vivid word picture of the tenant, John Smith:

"Poverty draws the plan for John Smith's house; poverty tells him what he may wear; poverty decides whether he shall be warm or cold, dry or wet, clean or dirty; poverty declines to give Smith's young child its quart of milk during the day and so limits God in the sort of dust he may use in making a man; poverty denies Smith's physician to attend his wife in childbirth and sends for the old negro midwife; poverty refuses permission to have Mrs. Smith's laceration repaired; poverty postpones sending for the physician, delays or denies needed surgery and dentistry, and acute troubles become chronic, curable passes into incurable disease."

I have reviewed this familiar picture with the view of raising the question as to how we may proceed without facts on which to base constructive thinking. Business men, bankers, landlords, owners, and tenants alike will find joy in counseling on this great problem. We shall need the counsel of such leadership if the much-talked-of "taking of marginal lands out of production" is accomplished, especially when the tendency is for a large portion of the richer land to drop out of production because of tenant-furnishing hazard or foreclosure.

We need to study the effect of mechanization on the farm and in the home.

In the event a cotton-picking machine is perfected, the marginal acreage may be forced out of production more rapidly, with a resulting labor problem the reverse of the usual one. We may be confronted with a stupendous adjustment problem in marginal acreage areas. We have already felt the effects of the increased tractor usage. One county, I know, has introduced 500 within the last three years. When we realize that each tractor may dispense with the services of five tenant families, we get a picture of the possibility of a future economic problem on which we may be called for counsel without facts on which to base recommendations. Experience seems to point to the decided advantage of using tractors for economic production of cotton, but will tractors cause a more extensive production of cotton, eliminating our live-at-home program; or will it result in a more balanced and permanent agriculture? It will take more facts than we now have in our possession to answer these questions adequately.

What is an optimum income for different-sized farm groups? How should the expenditure of the respective groups be reflected in better homes, better equipment, better diet, dress, etc.? Since "growth and not perfection is the key word of the universe" is there no a danger involved in suggesting a $1,200 income to a tenant in a hovel? Such a procedure may be like quareling with a wooden-legged man about his performance at a dancing contest. Man-made barriers thwarting accomplishments, coupled with labor surplus may offer a greater danger than a cotton surplus. Is there a possibility that a vast number of tenants will be released through the introduction of machinery, as has been the case in other agricultural sections and in industry? If so, what effect will this situation have on communism now knocking at our industrial door? Will industry now moving south absorb all released labor? What encouragement should be given these small factories which build beautiful towns, some of which are landscaped and have community garages and community gardens? What financial advantages do these towns offer to local farmers for sale of surplus products?

There is no question but that machinery must enter more extensively into the operations of the farm and home. It must relieve the farmer and his wife of the tiresome tasks, and increase incomes to make possible luxuries that have already become necessities in the lives of industrial workers. The question again arises; What machines will best cope with drudgery and yield the most in financial returns and happiness? Only research will reveal the answer. Studies must be made which will further reveal the leaks in economical production and orderly marketing of all commodities on and off the farm. Such studies must have a closer tie-up of production and marketing, to determine the effect on financial returns of production practices and distance to market.

We need more facts relating to forestry.

We also have inadequate information on forestry, one of the greatest industries of the South which is experiencing a rapid decline. It is said to employ 20 per cent of all labor and represents an annual turnover of more than $500,000,000. Far-sighted leadership must formulate a definite long-time program to utilize our natural vantage ground in quick-growing timber, that will offset our present destructive method of cutting. Many cut-over lands would reseed themselves if fire were kept out. This seriously threatened industry involves the possibility of throwing out of work 18,000 men for every billion feet of lumber cut, as well as cutting the supplemental income of the cotton farmer. Mechanization of Southern agriculture may also necessitate tree planting on vast areas of land that is now marginal and submarginal. Economic studies must be made of this enterprize from the standpoint of the advantages to farmers as well as to the industry. Facts of this type will be of assistance in preventing the hazards involved and avert the creation of deserted villages such as history has brought to our attention.

We need to study cooperatives and extension activities.

We must not only continue our efforts in assisting cooperatives in becoming more stable, but keep in closer touch with the activities of the Federal Farm Board in order to fit our plans into theirs and take advantage of their counsel and financial aid in perfecting these organizations. The research studies mentioned above should go a long way towards furnishing facts that will serve as a basis for readjusting cotton and tobacco acreage in keeping with market demands. It will facilitate an enterprise adjustment in keeping with our live-at-home program with cotton and tobacco as our money crops establishing the proper relationships of various enterprises. We must make studies of our own work, as written on the ground. We know, for example, county agents who started five or six years ago with 500 pounds of vetch seed planted in the county who now measure county vetch orders in carloads. What have these agents done or what peculiar local conditions prevail that produce such results, while other agents, apparently just as able, measure their plantings by the hundred pounds. Our information is inadequate and indefinite.

The Solutions of Our Problems

Closer cooperation of extension service and economic divisions of State and Government needed.

We are favored with two of the greatest research organizations any section in the world can boast of. One of these organizations has for many years concerned itself with assembling facts relating to economical production and farm management; the other has collected data pertaining to marketing, farm management, and general statistical information relating to agriculture.

The extension service can be justly proud of its achievements in extending the production practices placed in its possession by the experiment stations. Every extension worker has based his program of work on these dependable facts. This has, however, not been true to the same extent with facts furnished by the State and Federal economic divisions. The reason is that we have not had extension economists, or we have not caught the vision of just how these facts on which we may base constructive thinking, may serve as an economic background for program building.

It is possible within a relatively short period of time to lift economic extension work from triviality to distinction, and impregnate our thinking as thoroughly with economic as it now is with production facts and principles. When considering methods of bringing this about, we should take into consideration our own organization, the cooperative organization we have been fostering, systems of farming, as well as relationships with finance and business. Let us first consider our own organization and its functioning capacity in the light of our experience in program building. It is the consensus that our commodity specialists should base their programs on more local data that indicate the fundamental ills that obtain at the point of attack rather than depend upon panaceas or patent projects designed to meet any need that may arise. There is no

doubt but that the production specialist should know more of long-time and seasonal commodity production and price trends, and of the actual marketing of a product. We may well ask ourselves why so many patent projects are marked unknown in the project graveyard, full to overflowing.

Through counsel with the extension economist, the basic facts relating to farm enterprises may be procured from the State and Federal economic divisions, and a joint analysis of local enterprise and farm-management studies will often reveal other facts that will put a punch heretofore unknown into the presentation of an agent's program. A farmer will be intensely interested in knowing just what contribution his enterprise has made toward an income that furnishes an adequate standard of living and the production practices which yielded the high production and profits.

Simple, uniform enterprise blanks should be provided demonstrators in each county. If the production and economic specialists will make it their business to assist county agents in compiling, analyzing, and charting the results for each county, and make the business inventory, many comparable facts will be procured, and this procedure will serve as a stepping stone to more detailed farm-management records. If the demonstrations have been well thought out and established, emphasizing practices proved by the experiment station and economic studies, more forceful arguments will be obtainable than those furnished by the usual farm survey alone. The very foundation of our work is the result demonstration that answers economic problems. Result demonstrations are not only the very foundation of extension work, but offer the most forceful art of persuasion. They impel attention, inspire confidence, create desire, and prompt decision and action in a way that excels any other method yet discovered. After a farmer has first seen the benefits and received the financial returns the demonstration brings, and experienced manifestations of the respect of his neighbors, the recognition of his own achievement coupled with a thorough knowledge of our work, may prompt him to render leadership service. The farmer is far more interested in how the income is affected by each enterprise, and the practices involved, than he is in the management of the whole farm. Especially is this true if the owner of the farm happens to be wealthy. Not only jealousies arise, but farmers get the false idea of monopolized leadership. The more unfortunate farmer may conclude that he does not possess the finances to put the combination into effect. This is often the case with farmers adjacent to experiment stations. However, through an analysis of each enterprise and its correlation with others, the farmer gets a definite idea of the advantages of rotation and farm management as a whole.

How Economic and Production Specialists Have Aided County Agents

Let us consider a procedure which has been carried out in part with excellent results. The production and economic specialists plan a series of commodity meetings in counties long enough in advance to have prepared announcements for the leading papers and local papers of the adjoining counties as well as plans for publicity following the meeting. It might be well to prepare a short general circular letter, in invitation form, for the signature of the county agent, to be released just prior to the commodity conference. Since it is very desirable that bankers and business men attend such meetings, it might be well to prepare a special letter to go out to them.

We have found it advantageous to invite county agents in from adjoining counties the day preceding the general commodity conference, to review outlook and State commodity charts, and to prepare local charts, especially those emphasizing economical production practices. We have found that the agents enjoy presenting the charts and gain confidence and inspiration as well. They are especially interested in presenting data which they have had something to do with collecting. The testing of county agents' ability in using facts as a basis for constructive thinking inspires confidence.

When such meetings have been held on a conference basis, the farmers take pleasure in expressing their views, especially those who have been demonstrators.

The production and economic specialists have found it advantageous to spend their time at the meeting studying methods of presentation and the way the facts are received and understood by the group of farmers and agents present. After several meetings with the production specialist, the economic specialist probably should switch to the assistance of another specialist or to the most important duty of compiling data from economic research and converting them into a form that can be passed on to the farmers. After all, it should not be the major duty of the economist to extend the data himself; otherwise he might supplant the commodity specialist, or be confronted with the task of presenting a commodity problem without knowing its solution in terms of economical production practices.

The true object of specialists, after all, should be to assist agents in obtaining and disseminating agricultural facts and in applying these facts to specific problems confronted by the farmer, since such procedure meets the intent of our work and raises the agent in the estimation of the local people, whom he is striving to please with a view of becoming a permanent county fixture. It has been my experience that such procedure arouses a desire for more data and at the same time stimulates a desire on the part of the county agent to work out local data for himself. Achievement is the best soil in which ambition grows; "ambition is the key that unlocks the energy of the human mind."

I have often thought that the assuming of the attitude expressed above on the part of the specialist would go far toward eliminating the inferiority complex from the mind of younger agents. It would also give the specialist more time for much-needed study. It would go far toward placing our work on a conference basis in the minds of agents and farmers, as well as result in a sound, human, common-sense program based on economic realities. It will tend to eliminate a frame of mind which presupposes a pedagogical procedure which seems to regard farmers as so many bottles into which it is the duty of specialists to pour knowledge and the agent to repeat until filled. We should realize that people do not want to be saved, that they wish to save themselves, and that our method of procedure may tend to swallow up the chief human joy, the pride of sovereignty. Some one has said, "You can fill a man's head full of learning and even put up the sideboards to hold it on, but if his heart is not in his work, he will ditch the whole darn outfit."

Program building or adjustment meetings.

The same method of procedure and philosophy applied to an enterprise study serves equally well in respect to county or district program building or adjustment meetings. County agents usually have an advisory board or council, made up of leading farmers, bankers, and business men. This council serves with the agent in developing long-time programs. They meet at least annually, for the purpose of reviewing the activities of the past year and to consider adjustments for the year to come. We find such groups intensely interested in a study of size of farms, of the cultivated area, and the total income, and the income above farm cost in relation to size. They are usually very much impressed with the fact that it is practically impossible to produce an income sufficient to maintain an adequate standard of living on farms of less than 20 acres. They may be shocked at the decided upward trend in the number of such farms over a period of years, and a downward trend in home ownership, and at the income from tenant farms accruing to the landlord and tenant, with different types of machinery. They are interested in the manner in which these incomes have been reflected in home comforts enjoyed by the people in the county. Facts of this type bring out a free discussion of the tenantry problem, landlord and tenant relationship, and finance as a controlling factor. Though we rarely come to any definite conclusion as to what should be done (largely because of lack of information), we find here and there a decided effort of one or more to solve this, the South's greatest problem.

Charts showing the amount of income from different sources and shortages of food and feed produced locally, arouse much interest, and have resulted in a lively discussion emphasizing the importance of the "live-at-home" program.

We find the outlook charts valuable in opening a discussion of the most profitable enterprise combinations before the whole group or subcommittees of the group. They are most valuable, however, when used as a background for the discussion of each enterprise.

The organization of our extension workers to do this type of work is also similar to that pictured with the enterprise. As before, the county agent is master of ceremonies. He is depended upon to lead the discussion and to draw out of the group of farmers present the practices generally adopted on demonstration which, of course, have the experiment station's indorsement. The farmers especially enjoy these discussions, since they are given the opportunity to relate their experiences. The district agent and the economist and visiting agents sit through the conference and occasionally offer suggestions. After the economist has made several contacts of this kind with the district agent, the latter continues to make his rounds from county to county, using the complete set of charts furnished him which apply especially to his district, while the economist goes to another district. Many times the district agent finds that the county agent has made all the charts relating to his county prior to his arrival. County agents often copy outlook and other economic charts on paper sufficiently large to use subsequently at community commodity meetings. I have often heard visiting agents marvel over the fact that a group of farmers will sit in such meetingsfrom nine o'clock in the morning until five in the afternoon without losing a man. I have wondered myself at seeing groups of them around town still talking, some time after the conference is over.

On many occasions the council of women under the leadership of the home demonstration agent meet on the same day, and consider jointly problems which concern both groups and afterward meet separately to discuss problems pertinent to the home. The light of our endeavor must shine in the satisfying farm home, since the home is the ultimate goal of all our work. Although it is generally recognized that there is a great need of comprehensive research we must also recognize there is in existence helpful research as well as local county demonstrational information that has not been extended to the farm and home. The first duty of the extension economist should therefore be to complete and interpret these facts.

Though the preceding discussion falls far short of covering the whole range of fact finding and usage, it should not only serve to illustrate a need of a deeper knowledge of economic facts but of the human angle of extension work. People, and not crops and animals, often present the unknown and mysterious factors that serve as obstacles in the way of programs in extension work. Thought of self may check action on the part of the county agent or farmer. A displeasing circumstance or a course of action not advantageous to self, may prompt an incompatible course of action. Hence the concept of self may prompt action, and its consequences should be carried through a period of deliberation through consciousness when making and executing plans. Through the art of persuasion magnifying gainful advantages to self it is possible to gain confidence and create a desire. Voluntary decision and action will likely emerge in triumph. We must realize that no man relishes being managed. Pope says, "Men must be taught as if you taught them not, and things unknown proposed as though forgot."

We must have ambition, determination, and confidence, before an individual or group may be expected to function. Many times I have sat on the observation platform long after observation had ceased to be a pleasure, and pictured in my mind's eye the opportunity for service of the extension economist, now in babyhood and on the bottle. I am sure all extension workers wish to make him one of the family, and look forward to his marrying all the district agents and specialists and raising a family of county agent economists that will put to shame the fecundity of the guinea pig.

But we must not lose the vision so ably expressed by Henry Grady who said, "When every farmer in the South shall eat bread from his own fields, meat from his own pastures, and disturbed by no creditors and enslaved by no debt, shall sit amid his teeming gardens, orchards, vineyards and dairies and barnyards, pitching his crops in his own wisdom and growing them in independence, making cotton his clean surplus and selling it in his own time in his chosen market, and not at his master's bidding - getting his pay in cash and not in receipted mortgages that discharge his debt, but do not restore his freedom, then shall be the fullness and breaking of our day."

Michael Angelo was thought mad when he suddenly left a group of friends and madly set to work chiseling a rough stone. When questioned by his friends Michael Angelo replied, "No, I am not mad. I have seen an angel in this stone more beautiful than the world has ever seen and I am anxious to uncover it."

We have the opportunity to build strong, stalwart men and women, so magnificient they will put to shame even the angels of Michael Angelo, living monuments that will not only sing our praises throughout life but will erect other living monuments with the same propensity to create new worlds of beauty and comfort.